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**REMARKS AS PREPARED FOR DELIVERY BY ASSOCIATE ATTORNEY
GENERAL TOM PERRELLI AT PFIZER SETTLEMENT PRESS
CONFERENCE**

WASHINGTON, D.C.

Good morning and thank you for joining us. I am Tom Perrelli, the Associate Attorney General, and in that role I oversee a large portion of the federal government's civil litigation across the country, including the Justice Department's vigorous efforts in combating health care fraud.

I am honored to stand here today with my dedicated colleagues from within and beyond the Department, to announce a historic settlement with Pfizer Inc., the pharmaceutical manufacturer, arising out of civil and criminal allegations relating to Pfizer's allegedly illegal promotion of certain drugs, most notably Bextra. In a combination of civil and criminal settlements, Pfizer has agreed to pay \$2.3 billion – the largest health care fraud settlement ever in the history of the Department of Justice.

Today's landmark settlement is an example of the Department's ongoing and intensive efforts to protect the American public and recover funds for the federal treasury and the public from those who seek to earn a profit through fraud. It shows one of the many ways in which the federal government, in partnership with its state and local allies, can help the American people at a time when budgets are tight and health care costs are increasing.

Before I turn this over to my colleagues, I'd like to highlight three things:

First, as our efforts demonstrate, combating health care fraud is one of this Administration's top law enforcement priorities. By all accounts, every year we lose tens of billions of dollars in Medicare and Medicaid funds to fraud. Those billions represent health care dollars that could be spent on medicine, elder care, or emergency room visits, but instead are spent on medicines or devices that are simply not effective for patients to whom they are prescribed, or the result of illegal kickbacks paid to health care providers to get them to prescribe certain drugs. When a drug is marketed or promoted for non-authorized, "off-label" uses – any use not approved by the FDA – as was the case here, public health may be at risk, and there can be a real danger for patients when medical providers are not provided with accurate and full disclosure concerning a drug's risks and

benefits. Because health care fraud is such a significant problem for the public and the federal fisc, the Justice Department and HHS recently invigorated our longstanding partnership in fighting health care fraud, by launching the Health Care Fraud Enforcement Action Team – or HEAT – earlier this year. This working task force is led by key senior-level leadership in both agencies and has already increased coordination and intelligence data sharing between the agencies and has secured indictments charging dozens of defendants with health care fraud offenses.

Second, today's settlement reflects the Department of Justice working hard to protect American taxpayer dollars. This case is a great example of the Department's commitment to fiscal accountability, combating fraud, and returning much-needed dollars back to the U.S. Treasury and state treasuries. While most medical or pharmaceutical providers want to do the right thing, when they do cause false claims to be submitted to government health care programs like Medicare or Medicaid, for uses that are not covered by those programs, that costs the American taxpayer real dollars. Enforcement of the False Claims Act is our primary tool on the civil side. In this fiscal year thus far – before today's settlement – the Department had recovered more than \$1.57 billion in settlements and judgments under the False Claims Act, and, as a direct result of the federal settlements, an additional \$473.25 million had been returned to State Medicaid Programs, for a total impact of over \$2 billion this year. Today's settlement – which includes a \$1 billion civil settlement – increases the recoveries under the False Claims Act by the Department of Justice in FY 2009 to over \$3 billion to federal and state fiscs. And that \$3 billion does not include the \$1.2 billion criminal fine in this case, the criminal forfeiture of \$105 million in this case or the criminal fines in other cases.

Third, this settlement is a testament to the type of broad, coordinated effort among federal agencies and with our state and local partners that is at the core of the Justice Department's approach to law enforcement. This settlement reflects cooperation and coordination between the Department's Civil Division and the U.S. Attorney's Offices for the District of Massachusetts, the Eastern District of Pennsylvania, and the Eastern District of Kentucky. In fact, I want to specifically acknowledge James Zerhusen, U.S. Attorney for the Eastern District of Kentucky, who is in the audience today for his office's hard work.

The investigative efforts of many agencies – including the Office of Inspector General for the Department of Health and Human Services, the FBI, the Defense Criminal Investigative Service, the Office of Criminal Investigations for the Food and Drug Administration, the Veterans Administration's Office of Criminal Investigations, the Office of the Inspector General for the Office of Personnel Management, the Office of the Inspector General for the U.S. Postal Service, the National Association of Medicaid Fraud Control Units, and state Attorney General Offices – were critical to the successful prosecution of the criminal and civil cases. From the Attorney General on down, we know that we can do amazing things – like recovering \$2.3 billion for the federal treasury – when we partner side-by-side with our sister federal agencies, our state attorney general offices, and the American public. I, and this Department, are deeply committed to working collaboratively with other federal, state, local and tribal agencies on numerous issues, including, of course, health care fraud.

There are many people responsible for today's accomplishment, and I would refer you to today's press release for the many players involved. In particular, I want to note the critical commitment of Secretary Sebelius and her entire team at HHS to stopping health care fraud in its tracks – through prevention, deterrence, and strong enforcement. I would like to introduce the Secretary of the Department of Health and Human Services, Kathleen Sebelius.

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